Statement-I

The details of coses disposed off till 12.2.09

Pending applications regarding appointment/ appointment schedule of Managing Director or Whole-time Directors/ Managers as on 31.12.2007	Number of cases disposed off out of pending list till 12.02.2009	Number of cases pending as on re-13.02.2009
301	183	118*

* It includes a number of cases which have been processed, and are pending due to non-furnishing of required information/documents from the companies, about which they have already been informed.

Statement-II

The details of new applications alongwith those disposed off from January, 2002 to 12.02.09

Applications regarding appointment/re-appointment schedule of Managing Director or Whole-time Directors/Managers received during the period 01.01.2008 to 12.02.2009	Number of cases disposed off out of col. I during the period 01.01.2008 to 12.02.2009	Number of cases pending as on 13.02.2009
1112	688	424*

* It includes a number of cases which have been processed, and are pending due to non-furnishing of required information/documents from the companies, about which they have already been informed.

Irregularities in accounts of Satyam Computer Services

744. PROF. ALKA BALRAM KSHATRIYA:
DR. JANARDHAN WAGHMARE:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Registrar of Companies has found serious irregularities in the accounts of Satyam Computer Services;

(b) if so, the details thereof;

(c) whether Government has ordered Serious Fraud Investigation Office (SFIO) to look into the entire gamut of irregularities and other related anomalies in the books of accounts and other acts of commission and omission; and

(d) if so, the steps taken by Government to check such frauds by companies?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) The Registrar of Companies, after ascertaining information in exercise of his powers under the

Companies Act, 1956 and after taking into account the statement made by the then Chairman of Satyam Computer Services Limited (the "Company") on 7.1.2009, reported that the financial statements, statutory returns and other records of M/s Satyam Computer Services Limited, *prima facie*, appeared to contain serious misstatements as a result of which the financial statements and statutory returns and documents filed by the Company may have been rendered as not reflecting a true and fair view of the state of affairs of the Company, that certain decisions were taken by the Board of Directors of the Company to utilize the stated cash reserves of the Company to acquire controlling interest in two other companies related to the promoter director of the Company and that on account of such misrepresentation and manipulation of financial information, there is a possibility of the affairs of the Company having been conducted in a fraudulent manner.

(c) Yes, Sir.

(d) Disclosures about the affairs of companies intended to inform the stakeholder the truth about the state of affairs of companies, have been mandated under the Companies Act, 1956. To facilitate making of such disclosures by companies, and for stakeholders and regulatory agencies to easily access and view them, Government has set up an electronic registry with round the clock access through internet. The Government has powers of inspection of the books of accounts of companies and also to investigate their affairs, if need be, under the Companies Act, 1956. In addition, the Act provides for appointment of independent, statutory auditors to audit the accounts and report to the shareholders. Such audited accounts are also displayed on the electronic registry for general viewing. While the reporting requirements are regulated under the Companies Act, 1956, the conduct of auditors is regulated under the Chartered Accountants Act, 1949. In addition, for listed companies, compliance with these statutory requirements is required to be certified by a company secretary in practice, who in turn is regulated under the Company Secretaries Act, 1980. Government has amended the Chartered Accountants Act, 1949 and the Company Secretaries Act, 1980 in 2006 to provide for a more effective disciplinary mechanism to deal with cases of misconduct by Chartered Accountants, Company Secretaries respectively. In 2006, the Government has notified Accounting Standards to enable accounts of companies to be drawn up and disclosed on the basis of fair, transparent and internationally accepted principles. The Government has also introduced Companies Bill, 2008 in the Lok Sabha to provide for a comprehensive revision of the Companies Act, 1956 including, *inter alia*, provisions that would enable more effective checks against irregularities/frauds by companies.

Financial crisis at Satyam

745. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether a company known as Satyam based in Hyderabad has come into financial crisis;

(b) if so, the nature of the crisis;